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ABSTRACT

A study was conducted to determine business community attitudes toward and uses of advertising agency services in a major midwestern market. Two hundred and thirty-eight business executives responded to a questionnaire that measured their attitudes toward and uses of advertising in their organization. Pertinent demographic and job related information was also obtained. Almost half the respondents were from small organizations with ad budgets under 10,000 dollars. Use of an outside advertising agency was reported by 40% of the respondents. Of the 18 organizations reporting inhouse agencies, none indicated dissatisfaction with the situation. The items receiving the highest or most positive evaluations were concerned with the ethics of the advertising, the ethics of the agency, and the friendliness of the agency workers. Creative work was the best-liked characteristic and research was the least-liked characteristic of agencies. Only 55% of the respondents agreed that their agency was up-to-date on research methods. Only 37% rated their advertising program as successful, 9% as very successful. The average evaluation response ranged between "OK" and above average. The clients did not seem to consider advertising as the principal contributor to the success of their companies. (A copy of the questionnaire is included.) (HTH)

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ADVERTISING
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ED244281

ADVERTISING AGENCY/CLIENT RELATIONSHIPS IN A MIDWESTERN METROPOLITAN MARKET

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ADVERTISING AGENCY/CLIENT RELATIONSHIPS
IN A MIDWESTERN METROPOLITAN MARKET

Advertisers and agencies alike agree that choosing an advertising agency that will make the most effective use of promotion expenditures is one of the most important decisions a business must face. The subsequent agency/client relationship is considered equally crucial to promotional success.

The literature which discusses viewpoints of both agencies and advertisers on agency/client relationships reveals a veritable consensus by both parties that agencies and clients must work to familiarize themselves with one another's needs, capabilities, and goals. (Wilhide, 1983; Marken, 1983; Merritt, 1982; Marshall, 1982; "Agency Beat," 1983) In the absence of a systematic study of business or advertising communities, such information in most major markets is not available in aggregate form.

The study reported here represents an attempt by a team of university researchers to determine business community attitudes toward and uses of advertising agency services in a major midwestern market. It is hoped that the results of the present study will be used by local advertising agencies to provide informative programs and materials to the business community to promote better understanding and attitudes toward the advertising industry.

A systematic random sample (n=625) of local businesses was sent a mail questionnaire designed to gather information about advertisers' attitudes toward and uses of advertising and agency services available in the area (copy of instrument is attached). A 38 percent response rate was achieved (238/625). The sampling error of this study is 7 percent with a confidence limit of 95 percent.

REVIEW OF THE LITERATURE

A computerized literature search, supplemented with a manual search of pertinent business and marketing publications, yielded 127 potentially useful articles. The subsequent analysis reduced the list to 23 articles dealing with advertiser/agency relationships. An informal content analysis of article subjects and themes revealed roughly 13 issue categories involving cognitive, affective and behavioral concerns of agencies and advertisers. These issues formed the basis for the instrument used in the survey.

Major issues discussed in the articles consulted, as well as those mentioned by an advisory board of local advertising agency executives, included the following:

1. Size of agencies: There seemed to be some sentiment that the larger agencies are not as desirable as the smaller ones (Merritt, "Seven Pragmatics," 1982; Dart, 1980; Merritt, "How to," 1982).

2. Method of agency selection: Several checklists for selecting the appropriate advertising agency were offered (Wilhide, 1983; Merritt, "Seven Pragmatics," 1982; Merritt, "How to," 1982).

3. Trust, Confidence, and Open Communication: Determining a way to measure rapport or "chemistry" and to encourage its development is important to an ongoing client/agency relationship (Marken, 1983; Donath, 1983; Esposito, 1982; Harrison, 1975; Hotz, et. al, 1982; Marshall, 1982; Walker, 1979).

4. Agency compensation: This is an area of growing confusion among advertisers who are faced with a multitude of possible fee and commission combinations (Marken, 1983).

5. Evaluation of performance: Agencies and clients need to know how to evaluate each other's contributions (Esposito, 1982; Donath, 1983; Sachs and Chasin, 1977), yet evaluations can lead to bad relations between a business and its agency (Prentice, 1983).

6. Quality of creative work: Familiarity with creative output of an agency was considered a major criterion of judging the appropriateness of that agency's capabilities to a client's needs (Wilhide, 1983; Donath, 1983).

7. Value of agencies: There is some question as to the value of agencies per se, and whether individual businesses need employ their services (Zbytiniewski, 1981; Maher, 1979; Dart, 1980).

8. Budgets: The whole financial area is a major issue, with clients still uncertain about budget requirements, costs, billings, etc. (Marken, 1983; Esposito, 1982; Merritt, "Seven Pragmatics," 1982; Zbytiniewski, 1981).

9. Belief in advertising: A segment of the business community is reluctant to recognize advertising as a social phenomenon or as a business tool (Beck, 1979; Nicosia, 1974; Sederberg, 1978; Greyser and Reece, 1971).

10. Business ethics: The ethics of advertisers and agencies is a growing concern in both the social sector and the business sector (Krugman, 1981; Greyser and Reece, 1971).

11. Role of research: There seems to be disagreement as to whether more "pure" research should be supported by the industry, and whether there should be a greater reliance on testing (Donath, 1983; Neher, 1979; Sachs and Chasin, 1977).

12. Deadlines: This issue is one of practical salience. Clients want work now (or yesterday), but don't always pay for it on time (Marken, 1983; Donath, 1983).

13. Advertising and agency idiosyncrasies: A variety of issues appears here, from attitudes about the integrity of ad people to knowledge and attitudes about the commission system of agency compensation (Greyser and Reece, 1971; Marken, 1983).

METHODOLOGY

Population and Sample

A major midwestern market was the focus for this study, although several contingency organizations outside the immediate market area were added to the basic sample drawn. These contingency units represented advertisers important to the market, e.g. State departments located in another city.

The population was further defined as any organization which could be considered a potential advertiser and user of advertising agencies.

The samples were drawn from several sampling frames: the Classified Directory of (___) Manufacturers was used to produce an N of 307, the Standard Directory of Advertisers was used to produce a total of 134 advertisers in the market area; the Yellow Pages of the metropolitan Telephone Directory was used to produce 156 generic advertisers; a total of 28 advertisers were added as contingencies.

The total sample, then, of 625 is given in Table 1.

TABLE 1

COMPOSITION OF SAMPLE

SAMPLING FRAME	N	SAMPLING MODE
Classified Directory of ( ) Manufacturers (1983)	307	Random sample
Standard Directory of Advertisers-Geographical (1983)	134	Census
Metropolitan Telephone Directory--Yellow Pages (1983)	156	Random sample
Contingency Group	28	Specially selected on basis of importance to the market
Total N =	625	

Instrument

Instrument of choice was a mail questionnaire containing questions and scales designed to measure respondents' attitudes toward and use of advertising in their organizations. Pertinent demographic and job-related information was also obtained. A copy of the questionnaire is attached.

Data collection

Questionnaires were mailed with a cover letter indicating that a university student would call the business to arrange collection of the instrument at a mutually convenient time. It was felt that this additional personal contact, in the form of a phone call to set up a personal retrieval of the questionnaire, would enhance response rate among a sample of respondents whose participation in the study might otherwise have been difficult to obtain. Information from the pre-coded questionnaires was ready for entry into computer terminals upon collection to be processed through the SPSSX data analysis program. This procedure yielded 190 completed questionnaires (30% response).

A follow-up mailing was made to those who had not responded. This mailing included a self-addressed and stamped envelope for questionnaire returns, rather than student pick-up. This resulted in an addition of 48 questionnaires (8%) to the total.

DESCRIPTIVE STATISTICS

The total number of questionnaires returned was 238, which is 38% of the 625 mailed. Total respondents for individual questions are reported since many questions apply to only a segment of the sample, and because of non-response to some questions.

All percentages reported in this narrative section are rounded to the nearest integer and may not total 100%. "Don't Know" responses and small percentages that are not substantively significant are not reported.

Demographics of Respondents

Of the total sample responding to this section (n=228), 44% report being the president, CEO or owner of the business concern. A total of 94% report carrying executive or managerial titles, indicating that the questionnaire succeeded in soliciting response from targeted individuals high in their respective organizations.

The reported age of respondents (n=217) ranged from 21 to 74, with a median age of 45. Longevity in their current position (range=1-38 years) was reported at a median of 5 1/2 years.

Graduate degrees are held by 16% of the respondents; 72% have some college education, including undergraduate degree holders, and 12% are high school graduates. More than 80% of 223 respondents were male.

Description of Organizational Characteristics

The division of respondents (n=234) by company activity reflects the biases of the sampling frame toward industrial concerns, a bias which is very likely reinforced by a lower response rate by small retail concerns in the sample frame and by the nature of commerce in this market. Nearly half of the sample are in

the Industrial/Manufacturing category, 24% in Professional Services, 16% in Retail, 5% Wholesale, and the remainder (9%) in Government, Communication Media and Other. Nearly two-thirds of the sample report having no Advertising Manager/Director. Of those who have Ad Managers, 30% report to the CEO, 36% report to other officers, 22% report to a Marketing Manager, 11% to a Sales Manager. The largest group in the sample has only one person assigned to advertising tasks (34%).

Description of Advertising Activity

As expected, a substantial section (47%) of the respondents is comprised of small concerns with ad budgets under $10,000 (see Figure 1). Of those with budgets over $10,000, the median budget allocation is between $50,000 and $250,000. A breakdown of ad budget size by company activity is provided in Figure 2. Table 2 shows the allocation of these budgets to the various media, with Business Publications receiving the largest median share of the budget (33% of n=80).

Use of an outside agency is reported by 40% of the respondents. Few respondents (7%) have in-house agencies; 33 report having used an agency in the past but quit because of high costs, went in-house, or were unhappy. Of those with agencies (n=93), 81% use one agency, 13% use two, 4% use three, and 2% use four or more. Although 44% of agency users (n=92) have stayed with the same agency for the last five years, 53% have changed agencies at least once in that time, with one half of this group changing only once. In the past 10 years, 30% have remained with the same agency, and about one third of those who have switched have only done so once.

Eleven respondents (12%) of the 92 responding to this section said they were considering changing agencies in the foreseeable future.

FIGURE 1
ADVERTISING BUDGET ALLOCATION

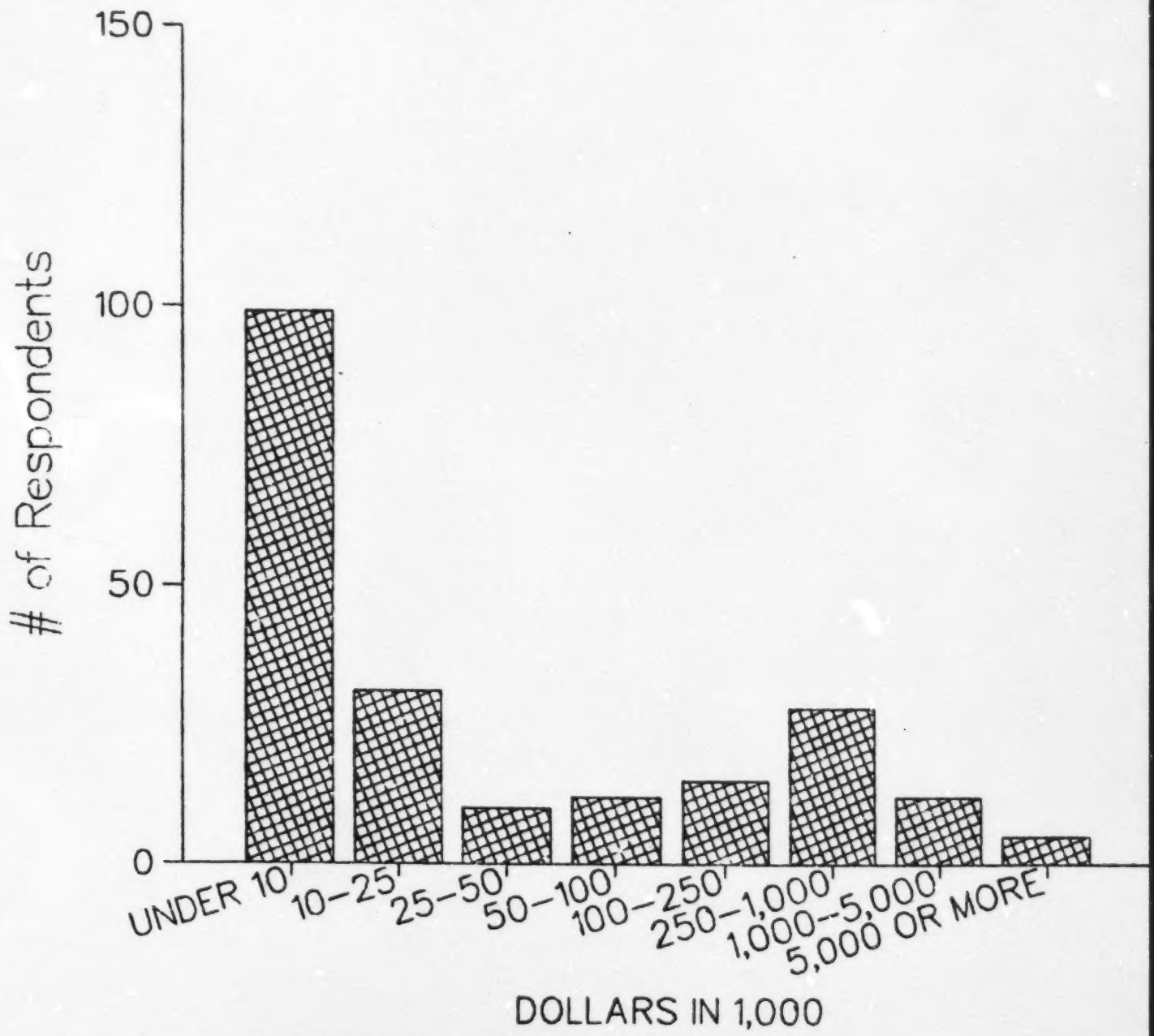
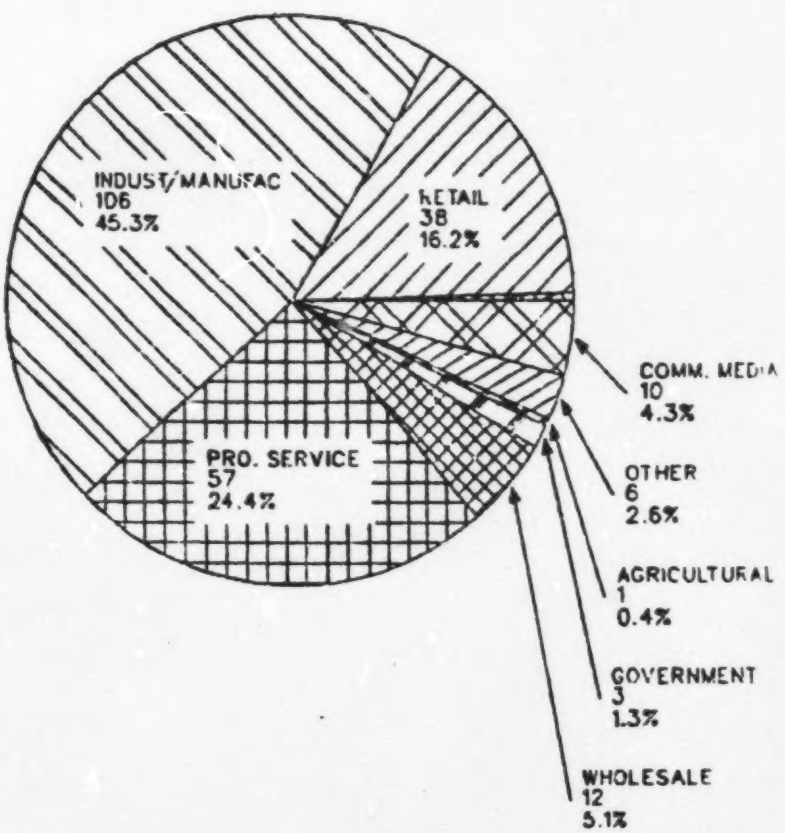


FIGURE 2
COMPANY ACTIVITY OF RESPONDENTS



Sample size: 214

TABLE 2

Q104 ALLOCATION OF MEDIA BUDGETS

MEDIUM	% USERS IN SAMPLE	% OF BUDGET FOR USERS
Business Publications	42	33
Direct Mail	40	9
Sales Promotion	41	16
Newspaper	33	25
Public Relations	23	7
Specialty	15	5
Radio	20	9
Television	14	38
Consumer Magazines	12	18
Outdoor	8	8
Transit	3	4
Other*	31	45

* Other includes Yellow Pages

By contrast, of those reporting in-house agencies (n=18), none indicated dissatisfaction with the situation.

The decision to switch agencies is reported (n=93) as being made by the CEO (38%), jointly by officers (26%), by the Marketing Manager/Director (10%), Advertising Manager/Director (12%), and by others (15%).

Longevity with their present agency was reported (n=69) as follows:

22% one year or less

13% two to three years

18% three to four years

16% four to eight years

31% eight years or more

Median tenure is four years.

Only 30% report holding agency reviews and 40% report expecting speculative work from their agencies.

The majority (63%) report compensation to agencies in the form of a combination of commissions, fees or hourly rates. Only 17% report using the traditional commission exclusively. None indicated discontent with the compensation system they use. 67% report a 30 day billing time period, 15% report 60 days, the remainder on other bases or don't know.

Attitudes on Agency Relations

Average responses to a series of 5-point Likert-type scaled questions on attitudes toward the client-agency relationship are presented in Table 3. The largest variance in the series came from responses to "My agency is inexpensive" and "My agency is up-to-date on my industry." There was less agreement within the sample on these questions than on others. Expense, and knowledge of legislation, research methods, computerized media planning, client's industry,

TABLE 3

Q10-34 CLIENT ATTITUDES ON AGENCY RELATIONS
(1=Strongly Agree, 3=Neutral, 5=Strongly Disagree)

QUESTION	MEAN	VARIANCE
Satisfied with contact	1.621	0.703
Agency knowledgeable about business	1.839	0.789
Agency meets deadlines	1.656	0.663
Money is well spent	1.892	0.749
Agency is inexpensive	2.742	1.063
Agency works well under pressure	1.870	0.642
Agency people are competent	1.624	0.563
Agency performance depends on principals	2.000	0.970
Agency people are experienced	1.613	0.501
Agency people are friendly	1.376	0.346
Satisfied with agency size	1.527	0.622
Best people are on my account	1.774	0.872
Agency up-to-date on legislation	2.478	0.956
Agency up-to-date on new technology	2.056	0.808
Agency up-to-date on my industry	2.374	1.170
Agency up-to-date on research methods	2.352	0.942
Agency up-to-date on creative trends	1.867	0.724
Agency up-to-date on computer media planning	2.427	0.952
Comfortable with confidentiality	1.753	1.036
My creative ideas influence ads	1.800	0.679
Agency is ethical	1.333	0.290
My advertising is ethical	1.247	0.232

and new technology, while not receiving negative responses generally, are the items in order receiving the lowest evaluations. The items receiving highest evaluations and lowest variance were "My advertising is ethical," "My agency is ethical," and "People at my agency are friendly," in that order.

Clients were asked to identify what they liked best and least about their agency. Figure 3 shows that Creative Work is the best liked characteristic and Research rated the lowest. Elsewhere in the questionnaire, agency functions were rated in greater detail. Again, clients rated Creative Concepts and Creative Execution highest. Effectiveness Research and Media Research were lowest and second lowest, in that order. This finding may prove the most useful finding to the agency community generally--that their clientele perceive the research function as the weakest service provided by agencies.

A question on how up-to-date the client believes their agency is on research methods also showed this area to be weak. Only 55% of respondents (n=91) agree to the statement "My agency is up-to-date on research methods." Another indicator of this problem area is that whereas only 3% report using the services of an independent media buying service, 19% use an outside market research service, indicating less reliance on agencies for this function. This finding may not be as strong a condemnation as may appear from this data. Lack of interest in research by clients may be responsible for some of the weakness in the research area. In another section of the questionnaire, respondents showed a weak interest in pretesting ads, with only 33% agreeing with the statement "My agency should pretest my ads." (See Figure 4.) Likewise, only 39% of the respondents report relying on research to plan most of their advertising or marketing programs. Whether this moderate involvement in research is due to client resistance to the expense that research represents would require further investigation.

FIGURE 3
CLIENTS LIKE BEST AND LEAST ABOUT THEIR AGENCY

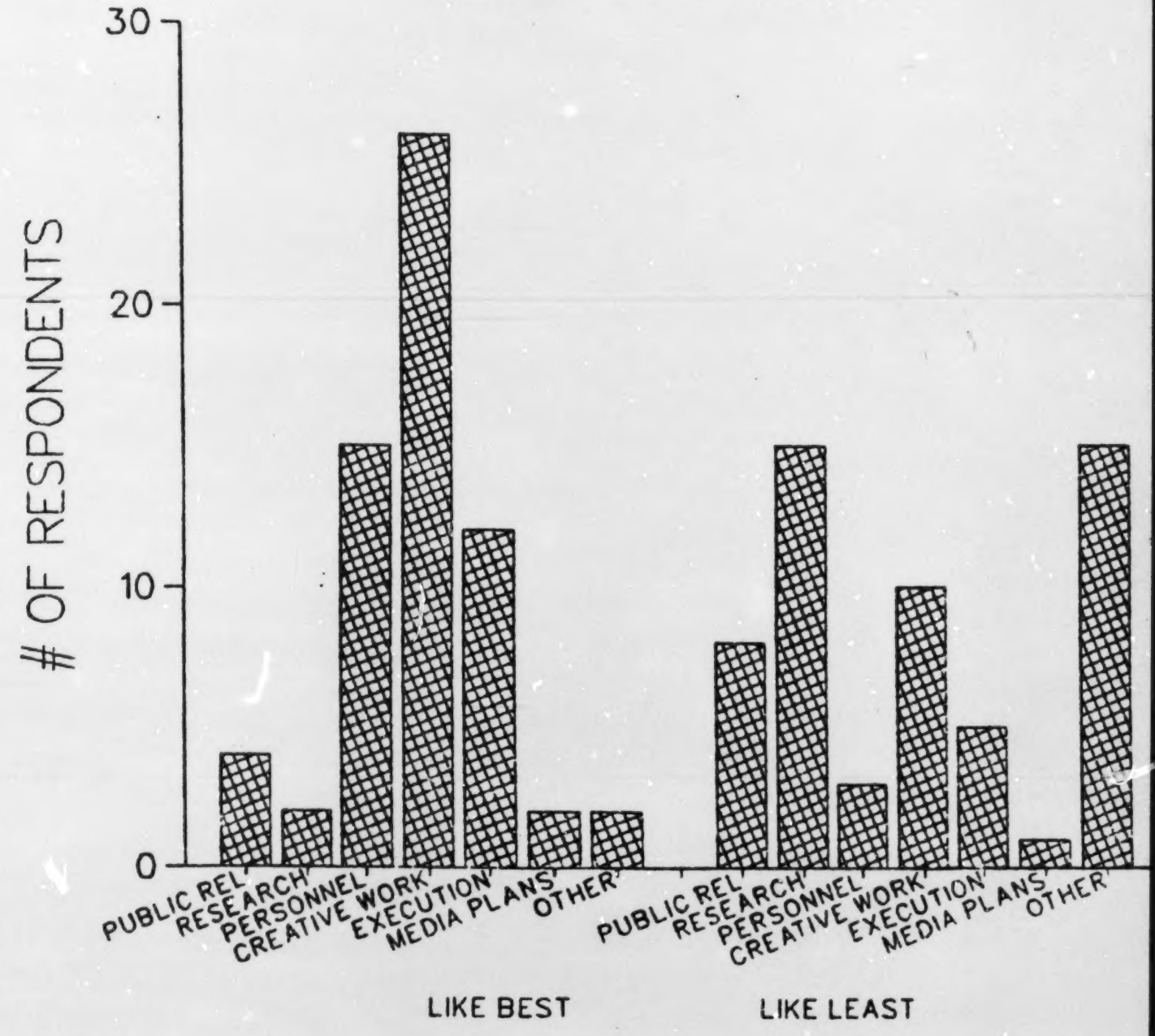
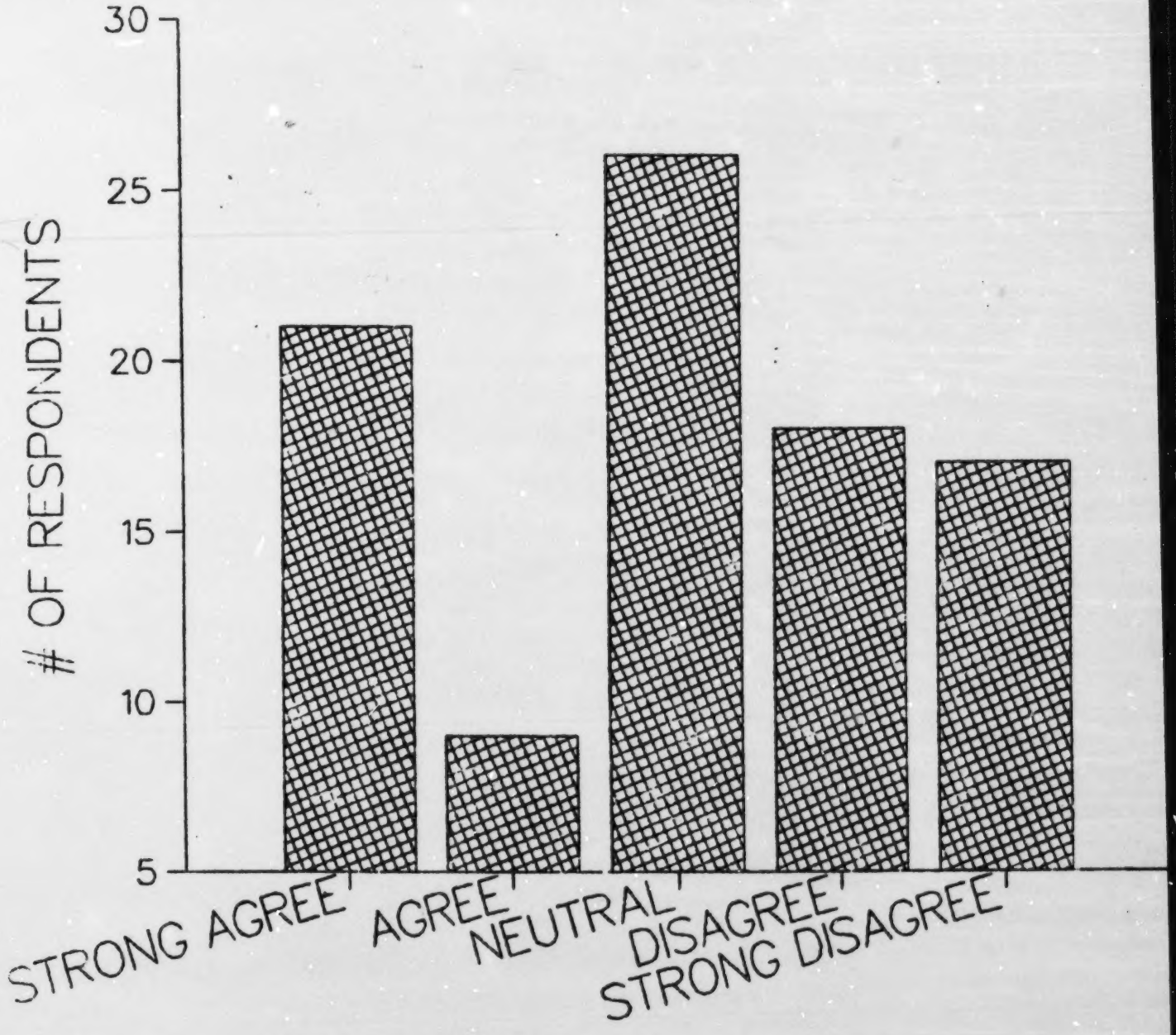


FIGURE 4
INTEREST IN PRETESTING ADS
BEFORE PLACEMENT



A section of the questionnaire was designed to evaluate clients' attitudes toward their agency in comparison to their attitudes toward advertising in general. Semantic Differential-type 5-point scales of 8 opposite word pairs were devised to evaluate both of these attitude sets. Reliability scores (Alpha >.9000) were generated by each scale. Comparison by paired, two-tailed T-Test of scale totals and individual items are reported in Table 4. The tests show that several items have statistically significant differences, though the items Ethical and Truthful show the greatest differences. The direction of these differences indicates that clients consider their agencies more truthful and ethical than they consider advertising in general. This is confirmed elsewhere in the study, where clients report strong confidence in the confidentiality of their relationship with their agency (Figure 5). Also, the question "My agency is ethical" elicited similarly strong positive response. Interestingly, the question that follows, "My advertising is ethical," received even stronger affirmation. Apparently, the image of advertisers and advertising as unethical taints the client population, though less so closer to home.

Evaluation of Advertising Program

Respondents (n=197) were asked to evaluate the success of their advertising program. Only 37% rated their program as successful; 9% rated their programs to be Very Successful, 28% responded Above Average, 36% responded "OK", 8% said Below Average, and 2% said "It's a flop." This places the average response between OK and Above Average; not a heartily enthusiastic vote.

Respondents (n=196) ranked the methods by which they evaluate the effectiveness of their advertising programs (Table 5).

TABLE 4

Q81-96 COMPARISON OF ATTITUDES TOWARD ADVERTISING AND ATTITUDES TOWARD ADVERTISING AGENCY

	NUMBER OF CASES	MEAN	STANDARD DEVIATION	DIFF MEAN	2-TAIL PROB.
AD INDUSTRY USEFUL	92	1.4674	0.583	-0.0543	0.414
AD AGENCY USEFUL		1.5217	0.654		
AD INDUSTRY INTERESTING	90	1.6111	0.831	-0.2222	0.012
AD AGENCY INTERESTING		1.8333	0.768		
AD INDUSTRY INEXPENSIVE	91	3.8022	0.945	0.5275	0.000
AD AGENCY INEXPENSIVE		3.2747	0.944		
AD INDUSTRY ETHICAL	91	2.1538	0.868	0.5934	0.000
AD AGENCY ETHICAL		1.5604	0.792		
AD INDUSTRY TRUTHFUL	91	2.3846	0.853	0.8462	0.000
AD AGENCY TRUTHFUL		1.5385	0.704		
AD INDUSTRY WORTHWHILE	91	1.8022	0.792	0.1648	0.021
AD AGENCY WORTHWHILE		1.6374	0.738		
AD INDUSTRY CREATIVE	91	1.5275	0.656	-0.2198	0.003
AD AGENCY CREATIVE		1.7473	0.838		
AD INDUSTRY NECESSARY	92	1.5543	0.747	-0.1304	0.103
AD AGENCY NECESSARY		1.6848	0.838		
AD INDUSTRY TOTAL SCORE	90	2.0417	0.549	0.1847	0.001
AD AGENCY TOTAL SCORE		1.8569	0.566		

FIGURE 5
CONFIDENCE WITH CONFIDENTIALITY
OF AGENCY RELATIONSHIP

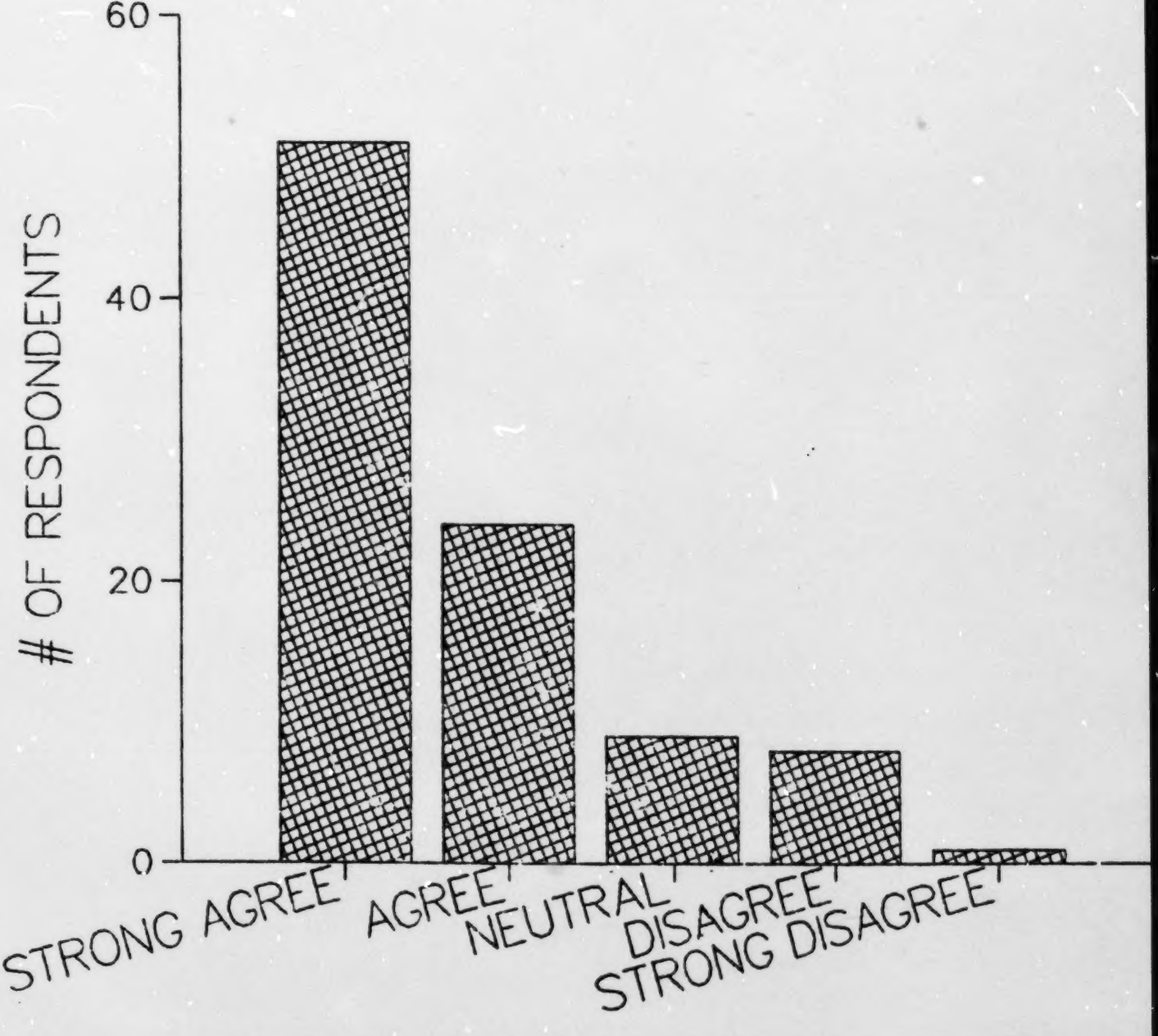


TABLE 5

Q111 EVALUATE SUCCESS OF ADVERTISING
(Multiple responses possible)

Number of inquiries	57%
Sales	44%
Audience Research	13%
Intuition	11%
Other	8%

Respondents (n=91) were asked if they see a direct relationship between sales and their agency's performance. The largest segment (39%) was neutral on this point, with 31% somewhat agreeing and 11% strongly agreeing. This suggests that clients do not seem to consider advertising the principal contributor to the success of their enterprises.

Table 6 shows how the sample ranked the importance of advertising to their company in comparison to other promotional activities.

TABLE 6

Q108 RANKING IMPORTANCE OF ADVERTISING
(1=Highest, 4=Lowest)

VARIABLE	MEAN	CASES
Personal selling	1.453	141
Advertising	2.653	138
Sales promotion	2.788	134
Public relations	3.012	135

Advertising appears to run a far second to personal selling in importance to success in this market. This finding is appropriate, considering the heavy

weighting to industrial and manufacturing companies in the sample. This may also explain why clients perceive only a slightly positive relationship between sales and their agency--advertising is not their principal pull for business.

One of the ongoing issues in client/agency relations is the matter of deadlines. Subjects in this study (n=93) were quite frank that agencies were better at this (Mean=1.656) than they are (Mean=2.043).

Frequency of agency visits to their clients was also investigated. Comparison of responses (n=93) on how often a personal visit is made and the respondents preferred schedule shows a close match, indicating that this is not a problem from the clients' viewpoint.

How the client's account ranks in size in their agency has been discussed as a possible problem area in selecting an agency. In this study, respondents indicated that this was not a big issue--the largest percentage (52%) stating that this was not a matter of concern. Another 30% stated they would prefer to be in-between the largest and smallest account at their agency, and only 17% expressed interest in being the agency's largest account. Interestingly, only 1% (1 respondent) indicated he would like to be the smallest account at his agency.

Not all clients employ agencies for full services but 75% of respondents report that their agency handles distribution of the materials the agency produces. Presumably, some of the agency activity in this market is directed toward the preparation of collateral materials that are not placed in regular advertising media.

Employment of females and minorities in the agency environment was investigated, though indirectly, by requesting information on whether respondents were aware of members of either group working on their account. Although 48% report having a female working on their account, only 2% report the same for a minority person. When asked if the client's ad department employs

females, 33% of 204 respondents indicated positively, with the average number being one. However, it cannot be ascertained if the females employed are in a secretarial or managerial position.

Other Findings

There were several other questions in the study that are general in nature:

A set of questions was included concerning client's perceptions of the efficacy of endorsements in advertising. Although they appear not to be too enthusiastic about endorsements in general as a selling technique, celebrity endorsement ranked highest, followed by CEO, expert and customer, in that order.

Advertisers were asked to estimate the total number of agencies in the market as an indicator of their knowledge of the local advertising market, which has 188 advertising agencies. Of the 219 responding, 21% said they didn't know, 22% said Fewer Than 50, 27% said 51 to 100, and 23% said something between 101 to higher than 200.

Advertisers were asked which advertising-related business publications they read. Readership was reported as follows:

TABLE 7

Q109 READERSHIP OF BUSINESS PUBLICATIONS

PUBLICATION	TOTAL	PERCENT	CASES
ADVERTISING AGE	57	27	212
ADWEEK	27	13	212
MARKETING	25	12	212
MEDIA DECISIONS	19	9	212
J OF ADVERTISING	3	1	212
J OF AD RESEARCH	2	1	212
OTHER BUSINESS	22	10	212

REVIEW BY STUDY TOPICS

1. Size of agencies

Previous researchers have found that there is a slight preference by clients for connection with a smaller agency. This study tends to confirm this. Although many are unconcerned, several clients expressed a preference to be their agency's largest client, many expressed a preference to be in-between the smallest and largest, but only 1 was interested in being the smallest account at their agency. Apparently, clients would prefer not to feel as if their account were to be lost at a large agency.

2. Method of Agency Selection

Word of mouth, contact from an agency, and seeing agency work were noted as ways in which clients heard about their present agency. Receiving awards was not given as a reason very often as the primary source of information about an agency. However, this study included only one question on this point, making it an area deserving of further investigation.

3. Trust, Confidence, and Open Communication

This study found a strong positive attitude by clients on this point. There is substantial indication in this study that clients are pleased with the caliber and ethics of the agency personnel they deal with.

4. Agency Compensation

Although other researchers found some confusion with changing methods of compensation, this study found a large segment of clients using combinations of commission, fees and rates. No one expressed dissatisfaction with their system of compensation. This is apparently not an issue in this market.

5. Evaluation of performance

In this market, only 30% of advertising clients hold agency reviews. However, this study did not investigate this procedure in depth, so it cannot be speculated whether this is a problem area.

6. Quality of creative work

There is strong support for the previous findings that creative output is the most valued aspect of agency relations. This market seems to be quite satisfied with agency creative output.

7. Value of agencies

There is support from this study that clients value their agencies. They report that although they do not consider agencies inexpensive to hire, the money is well spent and that, in general, agencies are worthwhile.

8. Budgets

The only financial issue revealed by this study is that clients tend to perceive the expense of hiring an agency to be consequential. That is, they find employing an agency to be moderately expensive. However, no clients seem to begrudge the expense, indicating that the value of agency services, particularly in the creative end, is worth the cost. Agency compensation, which might prove a point of contention, appears not to be an issue, either.

9. Belief in advertising

Although clients express generally positive attitudes toward advertising per se, they are more definite about the value of advertising for their own business. A very small percent of the study sample (4%) expressed negative attitudes about the usefulness or necessity of advertising as an institution.

10. Business ethics

This study does support previous findings that there is some concern about advertising ethics. The attitude is restricted to advertising as an institution, however. Clients do not report reservations about the integrity of their agency's personnel or the advertising that the agency produces for them.

11. Role of research

This area constitutes the most dramatic findings of this study. Several points emerged: First, that ad pretesting is not pervasive in this market, and clients seem to support this. However, the second point is that clients perceive research capabilities of their agency as the weakest link in the services they provide. Whether the demand is low because of the deficit in agency capability, or the deficit is due to lack of demand is an issue to be explored further. Nevertheless, this is an area which should be seriously considered for client developmental programs.

12. Deadlines

Advertisers in this market were notably frank about this area. Suprisingly, they give their agencies good reports for meeting their deadlines, while confessing that they are not themselves as efficient at meeting their deadline obligations to their agency.

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1. Which term best describes your company's activities:

___, retail
___, industrial
___, professional service
___, wholesale discount
___, governmental
___, agriculture
___, other (please specify):
_____

2. How many people in your organization are directly involved in:

___, advertising
___, sales promotion
___, public relations
___, don't know

3. Do you have an advertising manager or director in your organization?
___, Yes ___, No

4. If yes, to whom does he/she report?

___, marketing manager
___, sales manager
___, CEO
___, other (please specify):
_____
_____

5. Is your company presently using the services of an advertising agency or agencies?

___, Yes ___, No

If you answered no to the above question, please go to page 7 , question 97.

6. How many agencies do you presently use?

enter # ___ don't know ___,

7. How many different agencies has your business used in the past 5 years?

enter # ___ don't know ___,

8. In the past 10 years?

enter # ___ don't know ___,

9. What is the job title of the person in your organization who makes the final decisions on agency selection and retention?

___, president (CEO)
___, marketing manager/director
___, advertising manager/director
___, a joint decision is made
___, other (please specify):
_____

Using the following scale (1=strongly agree through 5=strongly disagree), please respond to the questions below by circling the appropriate number.

10. I am satisfied with the amount of contact I have with my advertising agency.

1	2	3	4	5
STRONGLY AGREE	SOMEWHAT AGREE	NEUTRAL	SOMEWHAT DISAGREE	STRONGLY DISAGREE

11. My advertising agency is knowledgeable about my business.

1 2 3 4 5

12. My advertising agency meets its deadlines.

1 2 3 4 5

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13. My business always meets its deadlines for advertising matters.

1	2	3	4	5
STRONGLY AGREE	SOMEWHAT AGREE	NEUTRAL	SOMEWHAT DISAGREE	STRONGLY DISAGREE

14. The money I spend on advertising through my agency is well spent.

1 2 3 4 5

15. My agency is expensive.

1 2 3 4 5

16. My agency should pretest my ads before they are placed in the media.

1 2 3 4 5

17. My agency works well under pressure.

1 2 3 4 5

18. The agency people assigned to my account are competent.

1 2 3 4 5

19. The agency people assigned to my account are experienced.

1 2 3 4 5

20. The agency people assigned to my account are friendly.

1 2 3 4 5

21. I am generally satisfied with the size of my advertising agency.

1 2 3 4 5

22. The best people at my advertising agency are involved with my account.

1 2 3 4 5

23. I see a direct relationship between my sales and my advertising agency's performance.

1 2 3 4 5

24. My agency is up-to-date on:
state and national advertising legislation

1 2 3 4 5

25. the new media technology

1 2 3 4 5

26. trends in my industry

1 2 3 4 5

27. research methods

1 2 3 4 5

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28. My advertising agency is up-to-date on:
creative trends in advertising

1	2	3	4	5
STRONGLY AGREE	SOMEWHAT AGREE	NEUTRAL	SOMEWHAT DISAGREE	STRONGLY DISAGREE

29. computerized media planning techniques.

1 2 3 4 5

30. I am comfortable in sharing with my advertising agency information about new product introductions, sales/profits, personnel changes, subsidiary acquisitions, and other confidential information.

1 2 3 4 5

31. My advertising agency's performance depends heavily upon the involvement of agency principles.

1 2 3 4 5

32. My business' own creative concepts have enough influence in the final forms of the advertisement produced.

1 2 3 4 5

33. As a whole, the advertising agency is ethical.

1 2 3 4 5

34. In particular, the advertising by my advertising agency is ethical.

1 2 3 4 5

35. Are you considering a change in advertising agencies in the future?

___1 Yes (please explain why) ___2 No

_____

_____

36. What form of compensation do you provide your agency?

___1 commission only
___2 flat fee
___3 hourly rates
___4 a combination (please specify):_____
___5 other (please specify):_____

37. How satisfied are you with your present compensation system? (circle one):

1	2	3	4	5
VERY SATISFIED	SOMEWHAT SATISFIED	NEUTRAL	SOMEWHAT UNSATISFIED	VERY UNSATISFIED

Please explain:_____

38. On what time basis do you pay your agency?

___1 30 days
___2 60 days
___3 other (please specify):_____
___4 don't know

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* Do you think commercials using the following types of endorsements are effective? For each type of endorsement listed below, please respond according to the 1-5 scale provided here.

39. company CEO endorsements

1	2	3	4	5
VERY EFFECTIVE	SOMEWHAT EFFECTIVE	NEUTRAL	SOMEWHAT INEFFECTIVE	VERY INEFFECTIVE

40. celebrity endorsements

1 2 3 4 5

41. expert endorsements

1 2 3 4 5

42. customer endorsements

1 2 3 4 5

43. What do you like best about your present advertising agency?

___ public relations
___ research
___ agency personnel
___ creative work
___ production execution
___ media planning
___ other (please specify):
_____

44. What do you like least about your present agency?

___ public relations
___ research
___ agency personal
___ creative work
___ production execution
___ media planning
___ other (please specify):
_____

45. How often do you wish to have a personal visit by someone from your agency?

___ daily
___ weekly
___ at least once every two weeks
___ monthly
___ other (please specify):_____

46. How often does someone from your agency(ies) actually visit you?

___ daily
___ weekly
___ at least once every two weeks
___ other (please specify):_____

47. How did you hear about your present agency before selecting them?

___ recommended by associate
___ read about their awards
___ approached by agency
___ saw their work
___ other (please specify):
_____

48. Ideally, how would you like to rank among your agency's clients?

___ I'd like to be the biggest account
___ I'd like to be the smallest client
___ I'd like to be in-between smallest and biggest
___ I'm not concerned

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* How do you rate the services provided by your advertising agency? (Place an "X" in the appropriate space after each service).

SERVICES	VERY GOOD	GOOD	AVERAGE	POOR	VERY POOR	SERVICE NOT AVAILABLE	SERVICES AVAILABLE BUT NOT USED
49. CREATIVE CONCEPTS	1	2	3	4	5	6	7
50. CREATIVE RESEARCH							
51. CREATIVE EXECUTION							
52. MEDIA PLANNING							
53. MEDIA PURCHASING							
54. MARKET RESEARCH							
55. EFFECTIVENESS RESEARCH							
56. PUBLIC RELATIONS							
57. ACCOUNT SERVICE							
58. MEETING DEADLINES							
59. PRESENTATIONS TO CLIENTS							
60. OTHERS-specify							
61.							
62.							

63. How long have you dealt with your present agency?

___ months ___ years

64. Do you hold agency reviews?

___1 Yes ___2 No ___8 don't know

65. If yes, how often? _____ ___8 don't know

66. Do you expect speculative work from a prospective agency?

___1 Yes ___2 No ___8 don't know

67. Do you depend on research to plan most of your advertising/marketing programs?

___1 Yes ___2 No ___8 don't know

68. Do you regularly use an outside market research firm?

___1 Yes ___2 No ___8 don't know

69. Do you regularly use a media buying service?

___1 Yes ___2 No ___8 don't know

70. Does your agency handle distribution of advertising materials (plates, negatives, etc.)?

___1 Yes ___2 No ___8 don't know

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71. Does your agency have any females assigned to your account?

___1 Yes ___2 No ___3 don't know

72. Any minorities (Blacks, Hispanics, American Indians)?

___1 Yes ___2 No ___3 don't know

** Are you or any of your company's executives a member of:

		Yes	No	don't know
73.	the Milwaukee Advertising Club	___1	___2	___3
74.	Business & Professional Advertising Association	___	___	___
75.	American Marketing Association	___	___	___
76.	other industry-related organizations (please specify): _____			

** Is your advertising agency a member of;

		Yes	No	don't know
77.	Milwaukee Association of Advertising Agencies	___1	___2	___3
78.	American Association of Advertising Agencies	___	___	___
79.	A.F.T.R.A. Union	___	___	___
80.	Milwaukee Advertising Club	___	___	___

** We'd like to get your attitudes toward the advertising industry as a whole. Please place an X in the blank closest to the word which you think best describes the advertising industry. The middle space represents a neutral attitude or response.

In my opinion, the advertising industry is:

81.	Useful	___1	___2	___3	___4	___5	Not useful
82.	Interesting	___	___	___	___	___	Uninteresting
83.	Inexpensive	___	___	___	___	___	Expensive
84.	Ethical	___	___	___	___	___	Unethical
85.	Truthful	___	___	___	___	___	Untruthful
86.	Worthwhile	___	___	___	___	___	Not worthwhile
87.	Creative	___	___	___	___	___	Not creative
88.	Necessary	___	___	___	___	___	Unnecessary

** Now we'd like to get your attitudes toward your advertising agency. Again, please place an X in the blank closest to the word which you think best describes your advertising agency. The middle space represents a neutral attitude or response.

(PLEASE SEE NEXT PAGE TO ANSWER THIS QUESTION)

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In my opinion, my advertising agency is:

89.	Useful	___1	___2	___3	___4	___5	Not useful
90.	Interesting	___	___	___	___	___	Uninteresting
91.	Inexpensive	___	___	___	___	___	Expensive
92.	Ethical	___	___	___	___	___	Unethical
93.	Truthful	___	___	___	___	___	Untruthful
94.	Worthwhile	___	___	___	___	___	Not worthwhile
95.	Creative	___	___	___	___	___	Not creative
96.	Necessary	___	___	___	___	___	Unnecessary

(SKIP TO QUESTION 103, P. 8)

97. Have you ever used an advertising agency in the past?

___1 Yes ___2 No (If no, skip to question 102)

98. Why did you stop using an agency?

___1 costs too high
___2 went to in-house agency
___3 unhappy with services (please specify):_____
___4 other reasons (please specify):_____

99. Do you have an in-house agency?

___1 Yes ___2 No (If no, skip to question 101).

100. How satisfied are you, on a scale of 1 to 5, that you're getting full value for the investment in your in-house agency? (Please circle a number).

1	2	3	4	5
VERY SATISFIED	SOMEWHAT SATISFIED	NEUTRAL	SOMEWHAT DISSATISFIED	VERY DISSATISFIED

101. Do you ever plan to use another advertising agency?

___1 Yes ___2 No ___3 Uncertain

102. Briefly explain the structure of your company's advertising program (please include person responsible for advertising activities, method of determining budget, specific services used, etc.):_____

_____

_____

_____

_____

_____

_____

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103. What is your approximate annual budget for advertising?

___1 under $10,000.
___2 $10,001. - $ 25,000.
___3 $25,001. - $ 50,000.
___4 $50,001. - $100,000.
___5 $ 100,001. - $ 250,000.
___6 $ 250,001. - $1,000,000.
___7 $1,000,001. - $5,000,000.
___8 over $5,000,000.

104. Approximately what percentage of your annual budget is devoted to:

___% television
___% radio
___% newspaper
___% consumer magazines
___% business publications
___% public relations
___% sales promotion
___% outdoor
___% transit
___% direct mail
___% specialty
___% other (please specify):
_____
_____

105. How many advertising agencies do you think there are in Milwaukee?

___1 fewer than 50
___2 51 - 100
___3 101- 150
___4 151- 200
___5 more than 200
___6 don't know

106. Have you hired entry-level personnel (college graduates with little experience) for advertising positions in your organization?

___1 Yes ___2 No (If no, why?)_____

107. Do you have any females working in your advertising department?

___1 Yes (how many?) ___
___2 No

108. How important is advertising to your organization? Please rank the following activities (1 = most important, 4 = least important).

___ personal selling
___ advertising
___ sales promotion (merchandising)
___ public relations

109. What advertising periodicals do you regularly read?

___ Advertising Age
___ Adweek
___ Marketing
___ Media Decisions
___ Journal of Advertising
___ Journal of Advertising Research
___ Other (please specify):
_____

110. How successful is your current advertising program?

___1 very successful
___2 above average
___3 OK
___4 below average
___5 it's a flop

111. How do you evaluate the success of an ad?

___ sales
___ number of inquiries
___ intuition
___ audience research
___ other (please specify):_____

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112. Please explain how you measure the effectiveness of your agency.

_____

_____

_____

_____

113. What is your job title?

___1 president (CEO)
___2 sales manager or director
___3 marketing manager or director
___4 advertising manager or director
___5 other (please specify):_____

114. How long have you been in this position?_____

115. What is your age? _____

116. What is your highest educational attainment?

___1 H.S. grad
___2 some college
___3 college graduate ___5 2 yrs ___6 4 yrs
___4 graduate degree (MBA, MA, Ph.D., etc.).

117. What is your sex?

___1 female ___2 male

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